

# ORIGINAL



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August 27, 1997

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Mr. William F. Caton  
Secretary  
Federal Communications Commission  
1919 M Street NW  
Room 222  
Washington, D.C. 20554

Re: CC Docket No. 96-128 -- ANI Info Digit Requirements for  
Per-Call Compensation

Dear Mr. Caton:

WorldCom, Inc. ("WorldCom") recently became aware of an *ex parte* filing concerning the provision of ANI coding digits filed by the "LEC ANI Coalition" on June 16, 1997. This White Paper on the Provision of ANI Coding Digits ("White Paper") claims to be responsive to concerns raised by AT&T and MCI concerning the insufficiency of ANI info digit pair 07 as a payphone identifier.

In attempting to ostracize AT&T and MCI, the LEC ANI Coalition makes the broad, unsupported statement that "all other compensation payors, including the LECs, Sprint, and Telco, are willing and able to provide per-call compensation based on current technology and standards." White Paper at 13. This is simply incorrect -- in particular, the LEC ANI Coalition does not speak for WorldCom. While WorldCom will begin tracking calls when required, the failure of LECs to make proper coding digits available to PSPs will affect WorldCom just as it affects AT&T and MCI.

As discussed below, WorldCom has identified at least two related, serious problems which would result if ANI info digit 07 were to be treated as an identifier for payphones. Regardless, the Commission's Reconsideration Order in this proceeding makes it clear that payphones which transmit ANI 07 as part of their ANI will not be eligible for per-call compensation effective October 7.

## I. THE WHITE PAPER

The White Paper responds to concerns raised by AT&T that some LECs intend to assign ANI 07 to payphone lines. While ostensibly a sober discussion of the technical aspects of providing ANI information, the White Paper's real purpose appears to be an attack on the alleged competitive motivations of MCI and AT&T.

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This attack is intended to support the LEC agenda of using the Payphone Proceeding to leverage the sale of costly LIDB and/or FLEX ANI services. The White Paper invokes the Enhanced OLS Service Order<sup>1</sup> in an attempt to obfuscate the clear directions of the Commission laid out in its Reconsideration Order.

The central claim of the White Paper is that AT&T and MCI (and presumably WorldCom) should be satisfied to receive ANI 07 as a payphone identifier, because regular comparison of such calls with LEC-provided ANI lists will enable AT&T and MCI to "identify and segregate calls that may have originated on payphones." White Paper at 3 (emphasis added). The White Paper then goes on to make much of the fact that certain small IXCs have asked for permission to begin paying per-call compensation prior to October 7, creating the implication that the issue identified by AT&T is merely a "red herring." Finally, the White Paper states that LECs do not view ANI 07 as an impediment to their own per-call compensation obligations.

## II. WORLD COM'S RESPONSE

At first blush it might appear that the ANI 07 info digit pair would be sufficient to help identify payphone calls. This is because, as the White Paper points out, compensation payors will have the opportunity to obtain LEC-provided ANI lists and compare these lists to the call records they have accumulated which bear the ANI 07 identifier. This quarterly comparison could allow the deletion of the many non-compensable calls which will have originated from restricted locations other than payphones.

In proposing such a complicated and burdensome solution, the LEC ANI Coalition has confused the separate and distinct purposes of the info digit and ANI list requirements. Moreover, careful review shows that such a plan would not work.

The only purpose for the quarterly ANI lists during the per-call compensation phase is to determine which PSP is to be paid

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<sup>1</sup> Policies and Rules Concerning Operator Services and Pay Telephone Compensation, CC Docket No. 91-35, Third Report and Order, FCC No. 96-131, 11 FCC Rcd. 17021 (rel. April 5, 1996)

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for a given call. Using the lists is the only way to determine which payphone lines belong to a particular PSP.<sup>2</sup>

Payphone info digits serve a completely different purpose. They identify whether a particular call is compensable. The payphone coding digit requirement clarified in the Reconsideration Order was necessary to ensure that carriers can identify a payphone call in real time, and without reference to other databases.

The LEC ANI Coalition's proposal would not work because WorldCom must know for sure whether a call originated from a payphone as soon as the call is made, not at the end of the next calendar quarter. This is true for two reasons.

First, WorldCom anticipates filing tariff revisions for certain of its retail services to add a pay telephone surcharge. WorldCom must bill its customers such surcharges when the associated call is billed. This means after the current billing cycle closes, which, depending upon the customer, could be as soon as one day after a call is made.

It would be unacceptable to WorldCom or its customers for the company to bill surcharges based solely upon whether the ANI info digit 07 was appended to a call record. WorldCom's customers would quickly identify and complain about surcharges billed in error. WorldCom calling card customers and our subscribers dialing their own 800 or 888 numbers, who will likely try to avoid payphone surcharges (e.g., by making the call from a hotel room rather than a lobby payphone), will be incensed if WorldCom erroneously applies a payphone surcharge to a call which merely originated from a restricted line, like a hotel or hospital room, not a payphone.

Second, the need to bill surcharges in a timely and accurate manner is no less important to the numerous resale carriers who use the WorldCom network for end-to-end transport of their retail toll services. WorldCom will pass through per call compensation expenses to these resale carrier customers. Like WorldCom, these carriers are entitled to recover payphone compensation expenses from their subscribers on a per-call basis.

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<sup>2</sup> During the per-phone interim compensation phase, when identification of specific calls is unnecessary, the lists are being used to verify ANIs submitted by the PSPs in their quarterly billing.

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To do so, these carriers will necessarily rely on WorldCom's billing detail which accompanies WorldCom's invoice to the carrier. Our carrier customers can be expected to object if WorldCom treats calls reflecting ANI 07 as chargeable.

As noted above, the White Paper claims that members of the LEC ANI Coalition do not view ANI 07 as an impediment to their own tracking obligations. This is not surprising. First, LECs will have a tracking obligation only for calls originating within their own exchange territories. Second, the LECs are in a position to continually update their ANI databases for their own use, since every LEC administers all line additions in its own exchange territory. Moreover, while IXCs must review data from every LEC database, LECs will only need to compare their call records with their own database. While nothing prohibits a LEC payor from using the ANI lists to remedy its own failure to provide coding digits, nothing requires any other payor to do so.

The members of the LEC Coalition might prefer for WorldCom and other IXCs to subscribe to expensive LIDB validation or Flex ANI service to facilitate call tracking. No such result is required by the Payphone Orders. The Reconsideration Order (§ 64) could not be clearer on this point:

LECs must make available to PSPs, on a tariffed basis, such coding digits as a part of the ANI for each payphone. (emphasis supplied)

This sentence was a clarification adopted specifically in response to requests for reconsideration filed by MCI and AT&T. MCI had asked the Commission to confirm that the ANI 07 indicator, by itself, is insufficient to identify a payphone. In its petition, MCI noted that "a link between call tracking and the compensation obligation is necessary for carriers to be able to pass compensation charges on to the cost causer, which the Commission states carriers can do." MCI Petition at 9.

The Reconsideration Order requires that LECs make available tariffed services to the PSPs which will enable PSPs to transmit specific payphone coding digits as part of their ANI. No LEC or PSP sought review of this straightforward directive, and payors like WorldCom have structured their call tracking plans to take into account this substantial clarification obtained by MCI and AT&T.

Clearly, the obligation of payors like WorldCom is limited to recognizing valid payphone identifiers. The fanciful

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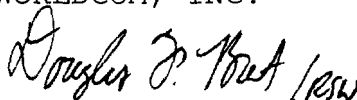
notion that payors are required to purchase enhanced OLS to comply with compensation requirements is nonsense. However, even if such a claim were otherwise arguable, the Commission's recent waivers to various LECs of deadlines to provide OLS makes clear that the requirement of LEC compliance with the Reconsideration Order is completely independent of the compliance schedule for implementation of enhanced OLS.

In granting a waiver to nine different LECs, the Common Carrier Bureau on July 31 reminded all LECs that "the extensions granted today do not alter or otherwise modify any obligations of these or other LECs under the Commission's Payphone Order and the Payphone Reconsideration Order."<sup>3</sup> Thus, LECs are to comply with ¶64 of the Reconsideration Order regardless of whether the LEC has implemented OLS by October 7, the beginning of the tracking period.

In short, although IXCs like WorldCom have been burdened with numerous administrative obligations to implement per call compensation, the obligation to subscribe to additional screening services is not one of them. WorldCom will regard info digit pairs, 27, 29 and 70 as valid payphone identifiers. Digit pair 07 is not a payphone identifier, and WorldCom will not treat as compensable any calls which include this digit pair.

Sincerely yours,

WORLDCOM, INC.



Douglas F. Brent



Richard S. Whitt

cc: Mr. John B. Muleta  
Ms. Mary Beth Richards  
Mr. Robert Spangler  
Mr. Michael Carowitz  
Ms. Rose M. Crellin  
Mr. Allen Barna

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<sup>3</sup> Petitions Pertaining to Originating Line Screening Services, CCB/CPD File No. 96-18, Order DA No. 97-1646 (rel. July 31, 1997), p. 4.